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**CENTRAL INTELLIGENCE GROUP**  
**INTELLIGENCE REPORT**

**COUNTRY** Ecuador

**DATE:** 25X1A

**SUBJECT** Possible Government Action Against Communist Agricultural Cooperative at Tigua, Ecuador

**21**  
**DIST.** 21 August 1947

**ORIGIN**

**PAGES**  
**SUPPLEMENT**

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1. It has been reported that the Ministry of Social Welfare, which is responsible for the enforcement of regulations governing cooperatives, has made a check of the records of the agricultural cooperative sponsored by the Communist Party of Ecuador, at Tigua, Ecuador, and has found that these records had been neglected and were not current. Accordingly, source reports that the Government may order this cooperative be closed.
2. The Communist Party of Ecuador learned in advance of this possible government action through an informant in the above Ministry, and has endeavored to bring the records of this cooperative up to date in compliance with government regulations.
3. The possible closing of this cooperative was viewed with considerable alarm by the Communist Party as it has made recognizable progress. The Communists are convinced that cooperatives are the best means of reaching the illiterate Indians who form the bulk of the country's population, and who are the real hope of communism there. At an urgent, secret meeting of the Communist Party in Quito on 9 July 1947, the entire session was devoted to the Tigua Cooperative. Luis F. Alvaro, Secretary General of the Ecuadorian Indian Federation and a member of the Executive Committee of the Communist Party of Ecuador, stated that the neglect to keep records properly was due to the absence of a white man at Tigua, and that this must be rectified. He also stated that in addition to neglecting its records, the cooperative was failing to provide the Indians with proper communist education, and that Tigua cell members were being neglected. As a result of this meeting it was decided that Alvaro would be given a monthly salary of five hundred sucres (approximately \$3700) and traveling expenses for supervising this cooperative. These expenses were to be charged against the cooperative's account.
4. The condition of the cooperative was considered to be very good. The 1947 crop estimate was two hundred thousand sucres (approximately \$14,800.00) and the 1948 prediction was double this figure. A school building is under construction and is expected to be finished by the end of September at the latest. The Communist Party's share of the proceeds are to be used to buy a truck to haul the produce to Quito. In 1948 the cooperative expects to have sufficient profits to buy new farm implements, including one or two tractors.

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